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Press Release

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PFD Fraud Unit Delivers Results in 2006

Juneau – On August 13, 2007, John D. Whitehead, a resident of Anchorage plead guilty in federal court to one count of passport fraud and five counts of social security number fraud which included using a false identity to apply for Permanent Fund Dividends from 2003-2007. Whitehead may face a maximum penalty of up to five years in prison and a fine of \$250,000 for each count of social security number fraud, and fifteen years in prison for passport fraud.

Each year, the Permanent Fund Dividend Division Fraud Unit investigates hundreds of applications based on information received from other government agencies and the public. "Fraud is an unfortunate, but inevitable, byproduct of this beneficial program for Alaskans. The PFD Fraud Unit works hard to uphold the integrity of the dividend program and to protect the interests of all Alaskans," said Patrick Galvin, Commissioner of Revenue.

Last year, PFD Fraud investigations resulted in eight criminal indictments, three in Federal court and five in State court. The PFD Division also imposed 36 civil actions resulting in five-year PFD forfeitures and fines ranging from \$130 to \$904. For 2006, \$2.5 million dollars of dividend claims were denied or recovered through the division's fraud and audit program. Once fraudulently obtained dividends are recovered, they are deposited into the Dividend Fund and included in the next dividend payment.

After being released from prison in North Carolina on a 1999 conviction of indecent liberties with a child, Whitehead used fraudulently obtained identification – a certified copy of an Illinois birth certificate – and assumed the identity of David Brent Canterbury to avoid the requirement that he register as a sex offender. Whitehead began applying for the Permanent Fund Dividend as Canterbury in 2003, claiming that he moved to Alaska in 2001.

Anchorage police arrested Whitehead on an outstanding warrant for a North Carolina parole violation. The US Department of State, Diplomatic Security Service, State of Alaska, Social Security Administration, Permanent Fund Dividend Division, Office of the Inspector General, Social Security Administration, and Anchorage Police Department conducted the investigation that led to Whitehead's prosecution. Whitehead is scheduled for sentencing on November 30, 2007.

The PFD Division receives fraud tips through direct public contact, email and the Division's fraud tip hotline. PFD thoroughly investigates every fraud tip received. The Division keeps informants' names and identities confidential. Applicants found guilty of PFD fraud may be charged criminally or may be fined up to \$3,000 and forfeit their next five dividends, or both. Applicants convicted of a crime involving PFD may be required to repay all dividends ever received and will forfeit their right to future dividends. Report PFD Fraud by email at dor.pfd.fraud@alaska.gov or by phone, in Juneau, (907) 465-2654, and in Anchorage, (907) 269-0385.
